

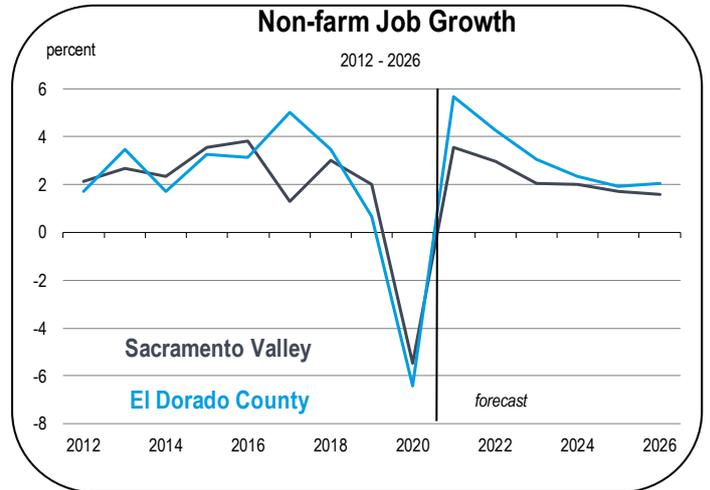
# El Dorado County Economic Forecast

## Forecast Summary

- On an annual average basis, 3,100 non-farm jobs will be restored in El Dorado County during 2021.
- A full labor market recovery is expected by 2022.
- Employment gains in 2021 will be largest in leisure services, which will recover 900 jobs.
- More than 200 jobs will also be re-gained or created in professional business services, education and healthcare, financial activities, and retail trade.
- The unemployment rate averaged 8.3 percent in 2020. It is expected to average 5.7 percent in 2021.
- The El Dorado County population is expected to grow quickly during the forecast period.
- More homes will be built over the forecast period than were built during the previous five years.
- Home prices increased unexpectedly in 2020, rising by 8 percent. Home sales surged by 33 percent as professionals with work-from-home jobs relocated to El Dorado Hills and South Lake Tahoe.

## Job Growth

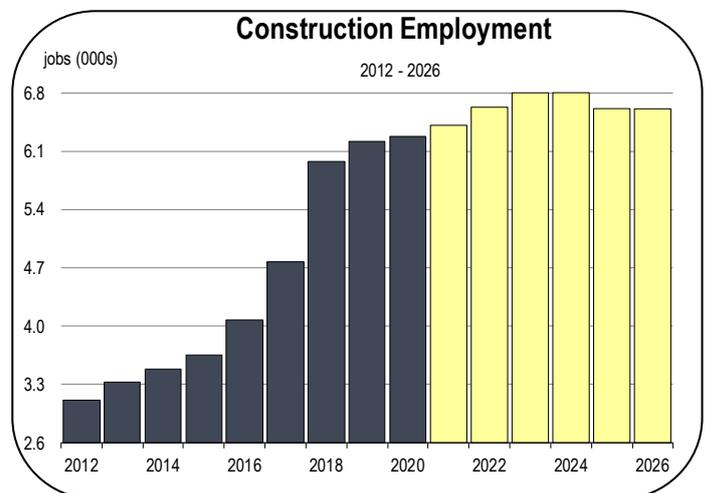
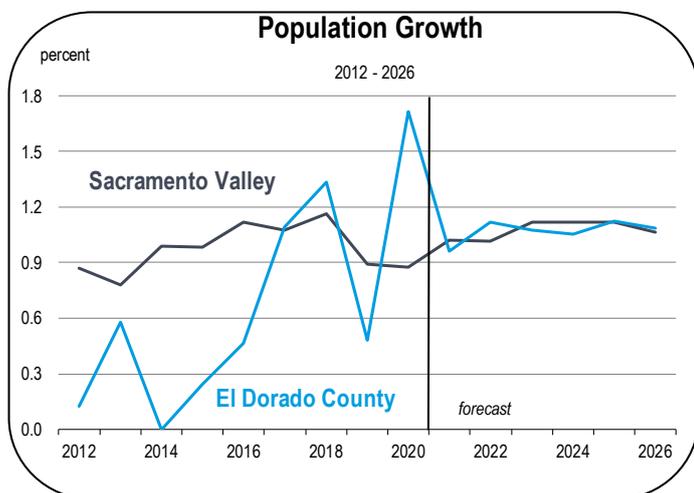
- Total employment in El Dorado County will expand by 5.6 percent in 2021 on an annual average basis.



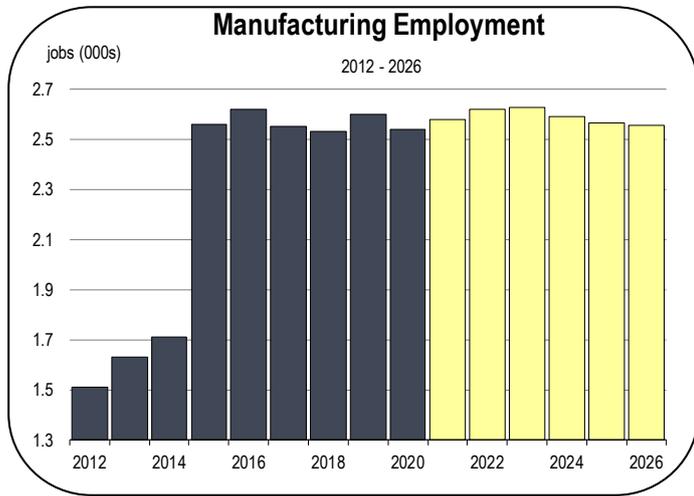
- Between 2022 and 2026, job growth will average 2.7 percent, the fastest rate of growth for any county in California.

## Construction Employment

- New development projects have ramped up in recent years leading to a surge in construction jobs.
- Three housing communities in the Bass Lake Hills area plan are under construction. The communities will ultimately generate 281 single family homes.
- More developments will begin construction this year and next.



# El Dorado County Economic Forecast

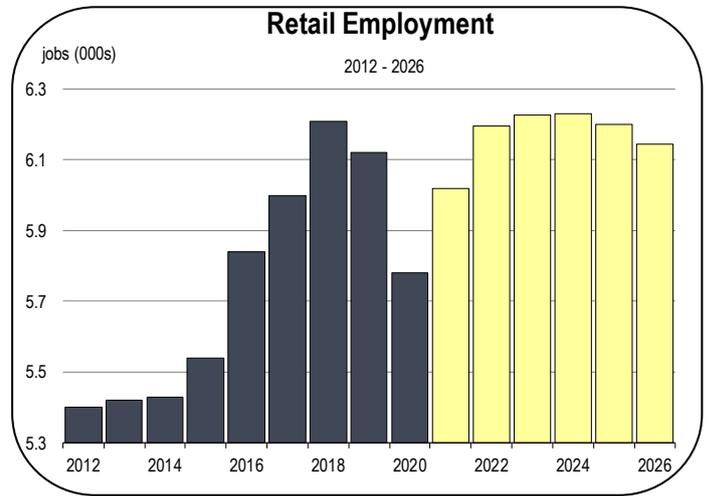
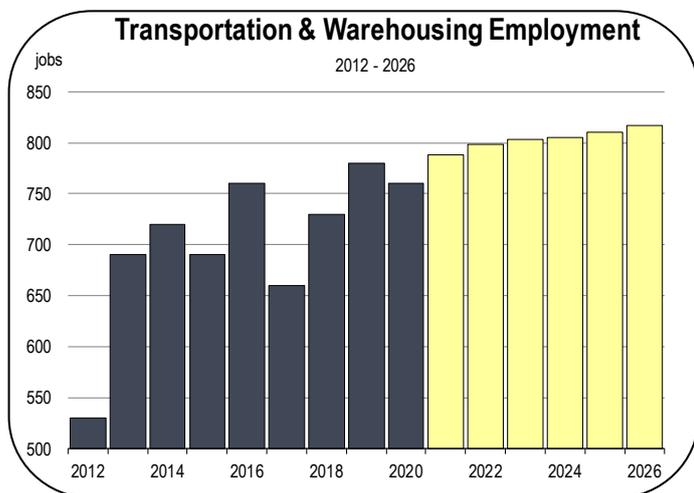


## Manufacturing Employment

- Total employment in the manufacturing industry has remained relatively constant since 2015.
- No extraordinary growth in manufacturing is forecast over the next 5 years, though longer term, a contraction is likely due to robotics and other advances in technology.

## Transportation and Warehousing Employment

- Most transportation jobs in El Dorado County are in trucking and warehousing, where firms deliver goods to and from businesses and store these goods in logistics facilities.

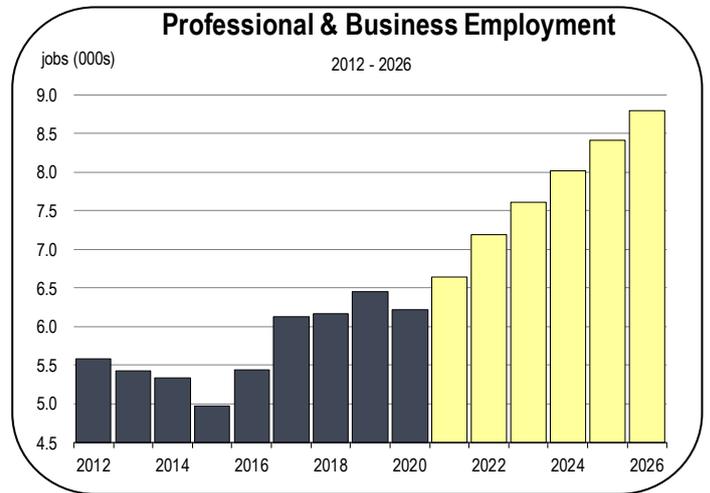
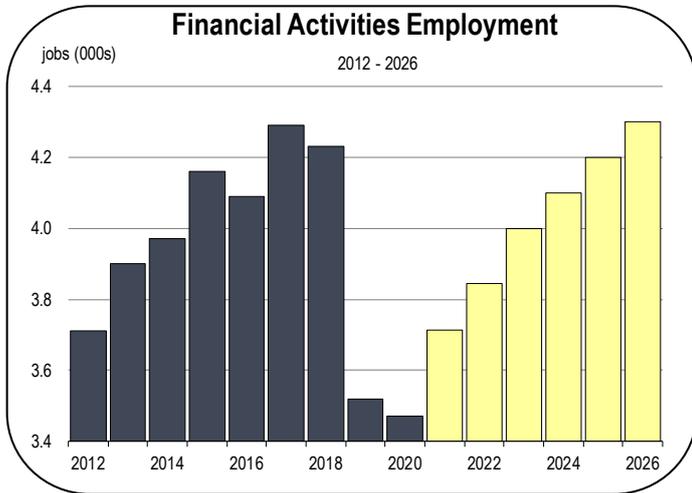


- A meaningful number of jobs are in delivery firms like UPS and FedEx. Delivery firms hired large numbers of workers during 2020 in response to a surge in online shopping and direct-to-consumer shipping.
- Further increases in online retail expenditures will support growth in transportation and warehousing jobs.

## Retail Trade Employment

- Approximately a third of all retail jobs are in grocery stores. Another third are in big-box department stores, home improvement stores, car dealers, and gas stations.
- Most losses in 2020 were at department stores and car dealers.
- Grocery stores expanded their headcounts in 2020 as households stopped going to restaurants and prepared more home cooked meals. Home improvement stores staffed up too.
- A full recovery of jobs in the retail sector is expected by 2022, largely because the pandemic's impact on retail jobs was not as severe in El Dorado County as elsewhere in the state.
- However, growth in retail employment over time will be minimal.
- Automation and the transition to online shopping will lead to consolidations in total industry employment at local brick-and-mortar establishments between 2022 and 2026, principally in department stores, furniture stores, electronics stores, and clothing stores.

# El Dorado County Economic Forecast

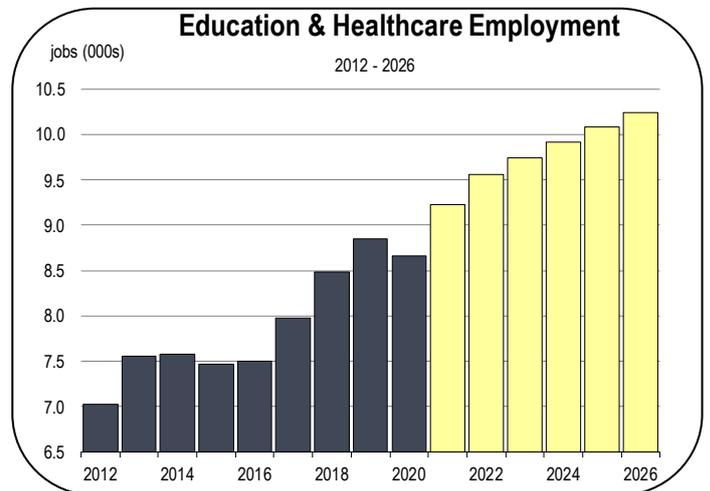
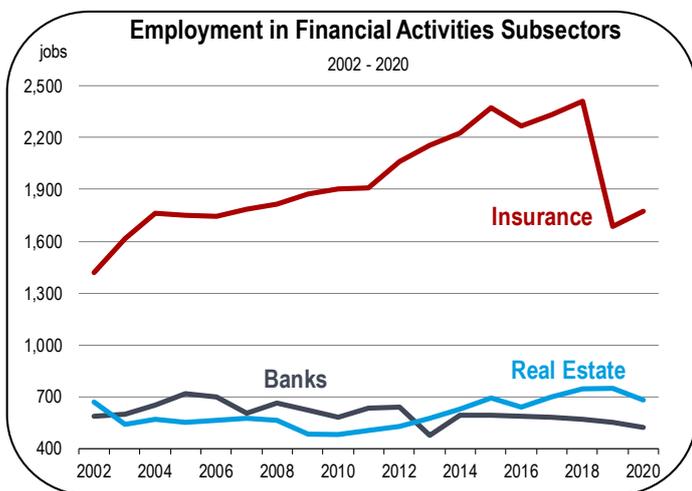


## Financial Activities Employment

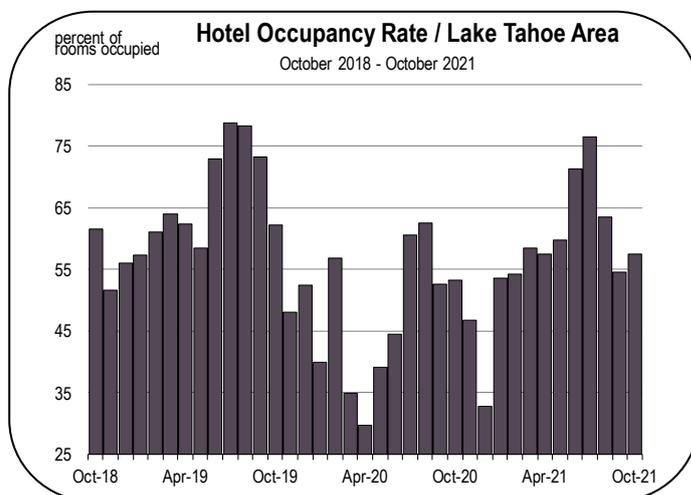
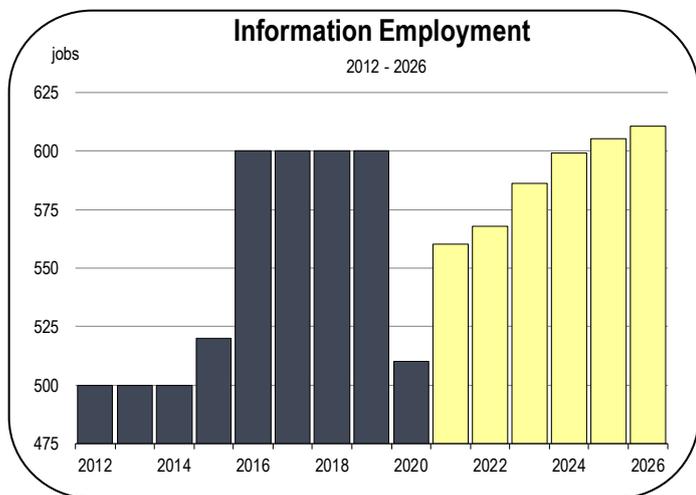
- The Blue Shield office in El Dorado Hills accounts for half of all jobs in the financial activities sector. Blue Shield is also El Dorado County’s largest private employer.
- Even before the onset of the Coronavirus Recession, financial activities employment was declining due to reductions at insurance firms.
- Over the forecast horizon, some insurance jobs will be restored and real estate firms will increase their staging levels to accommodate the new homes and commercial structures that will need to be bought, sold, leased, and managed.

## Professional and Business Services, Private Education, and Healthcare Employment

- Employment growth in the professional business services and healthcare sectors will account for between 30 and 40 percent of all new jobs in El Dorado County between 2021 and 2026.
- Professional business services address the service demands of an expanding population, and healthcare addresses the demands of an aging population.
- Currently, 24 percent of the population is aged 65 or over. This age cohort will rise to 28 percent by 2030.

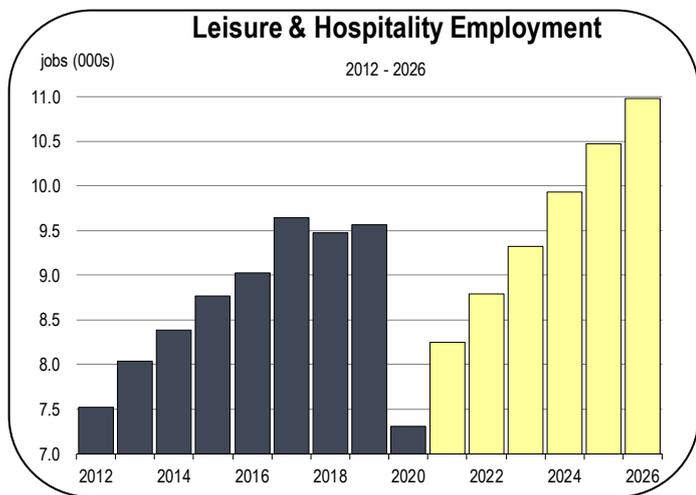


# El Dorado County Economic Forecast



## Information Employment

- In El Dorado County, the information sector is largely comprised of telecommunications companies like Comcast, software publishers, local newspapers, and data/Internet services.
- Software companies were able to operate remotely during 2020 and were largely unaffected by the recession, but a small number of jobs were eliminated.
- Newspaper employees were allowed to remain in their jobs, but advertising revenues declined with the rest of the economy, giving employers little choice but to issue layoff notices.
- Software publishing and data/Internet services are expected to generate new jobs over the forecast period, but declines are anticipated in most other subsectors.



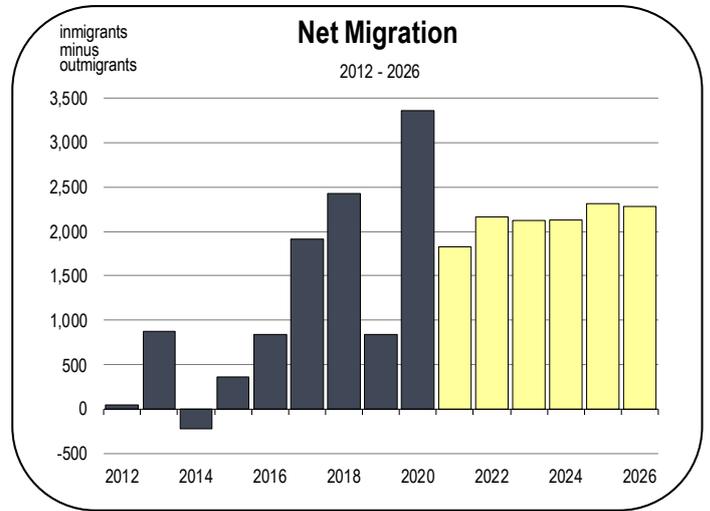
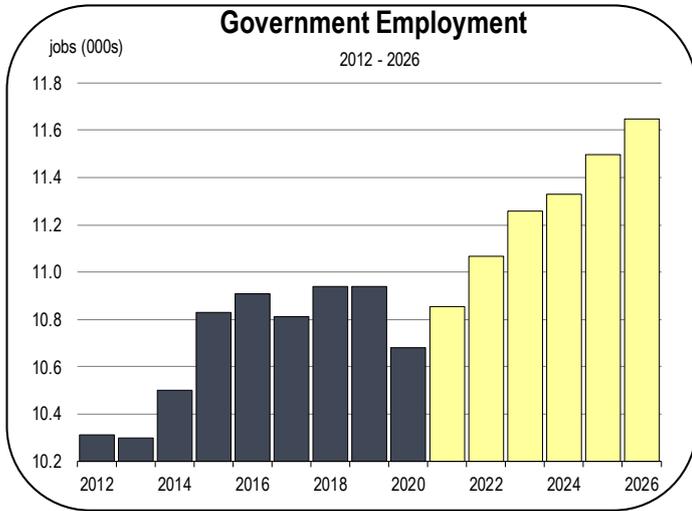
## Leisure and Hospitality Employment

- Leisure and hospitality firms were impacted by restricted business conditions more than any other type of company.
- On an annual average basis, 1,300 jobs were lost at restaurants and bars, a decline of 22 percent.
- More than 400 jobs were lost at hotels and motels (34 percent) and almost 500 jobs were lost at gyms, fitness centers, recreation facilities, and ski slopes (25 percent).
- The 2021 winter season was prolific and tourism activity began to rebound when the shelter in place order was rescinded in late January 2021. Hotel occupancy rates had fully recovered by summer 2021.
- Leisure and hospitality employment could rebound sharply in the second half of 2021 due to a surge in travel, dining, drinking, and recreation throughout El Dorado County.

## Government Employment

- State and local government agencies lost 300 jobs during 2020.
- Federal government agencies added a small number of jobs in 2020, but this was mainly due the Decennial Census, which creates temporary government jobs every 10 years.
- Some state and local government positions will be restored in fiscal 2022 (beginning in July 2021) with the commencement of in-person schools in the Fall of 2021 and with federal grants to cities and counties from the American Rescue Plan that will help to offset fiscal 2021 deficits.

# El Dorado County Economic Forecast

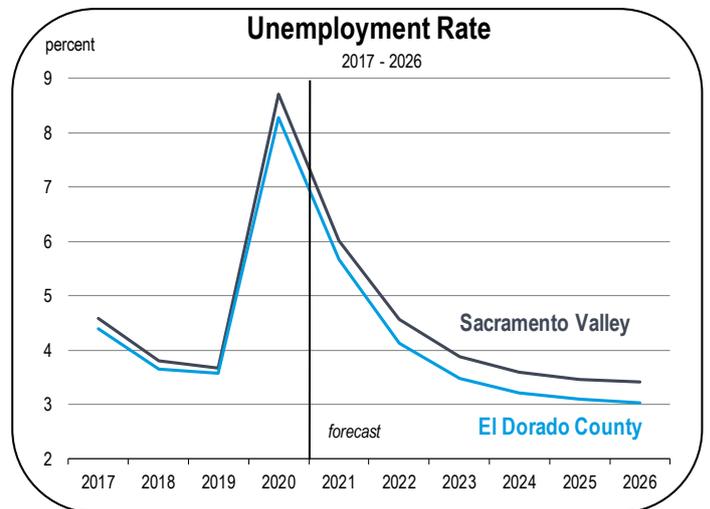
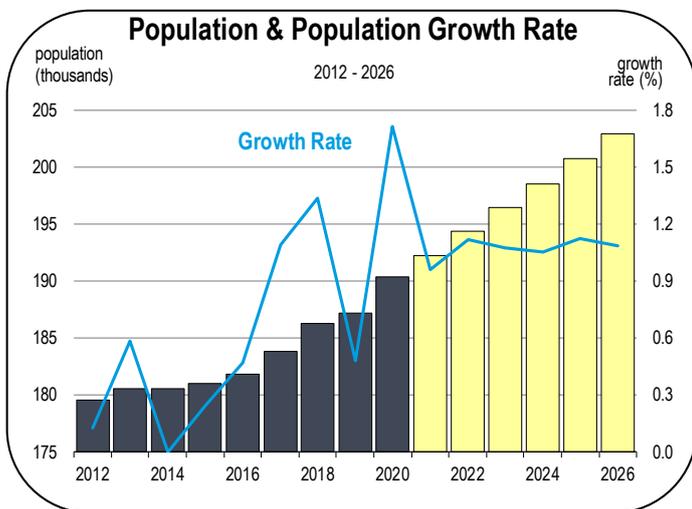


## Population Growth

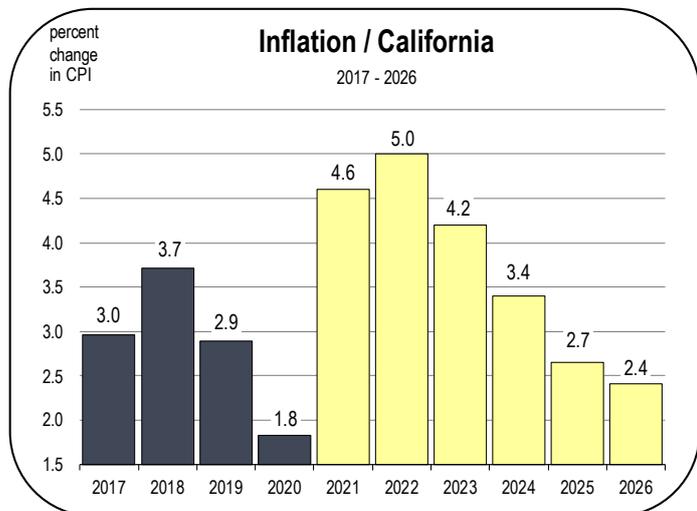
- The growth of population in the county is entirely attributable to relocating populations.
- Estimated net in-migration in 2020 was at the highest level since 2000, as more urban residents vacated the cities for inland destinations in California, including El Dorado Hills and South Lake Tahoe.
- Traditionally, most net migration into El Dorado County originates from Sacramento County. Placer County is second.
- Santa Clara, Alameda, and Contra Costa Counties are also a principal contributing source of local population growth.

## Unemployment and Inflation Rates

- The unemployment rate in El Dorado County averaged 8.3 percent in 2020.
- An unemployment rate below 5.0 percent signifies a fully employed workforce in Sacramento County.
- The unemployment rate is expected to average 5.7 percent in 2021 and 4.1 percent in 2022.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged. Inflation soared in 2021 and is expected to remain elevated for several years.



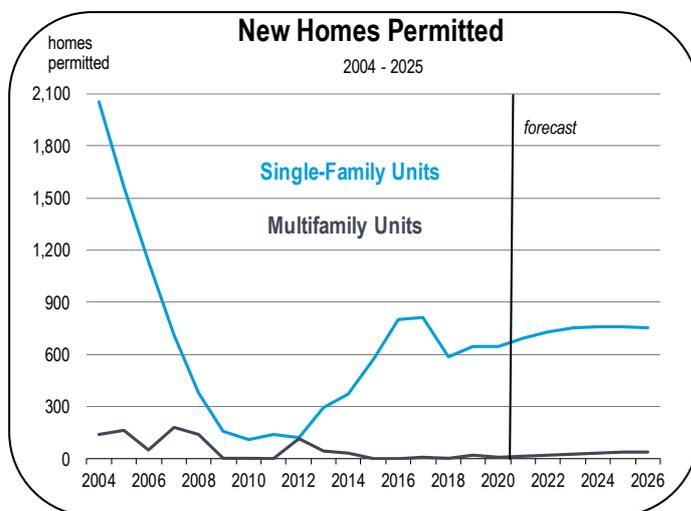
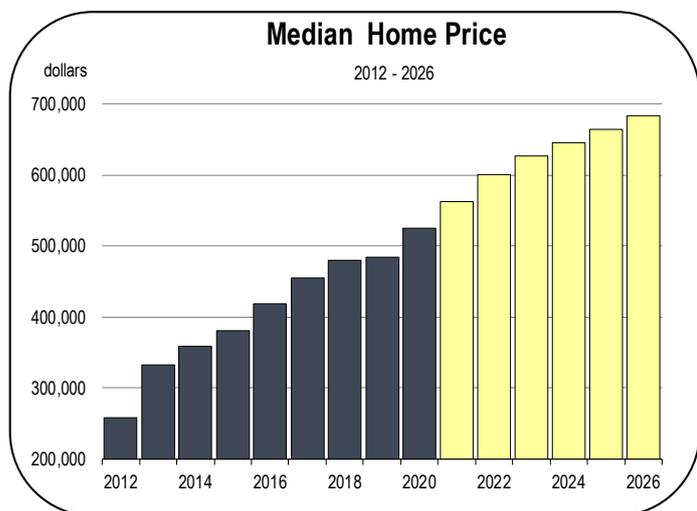
# El Dorado County Economic Forecast



- Ultimately, inflation will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.

## Home Prices and New Housing Production

- In 2020 the median home price in El Dorado County was \$524,800.
- Existing home sales were prolific in the county rising to the highest level since 2005.
- Strong demand for homes in the county pushed median home price appreciation to 8 percent in 2020.
- Home prices are expected to expand in a similar manner in 2021 as the exodus from cities, notably the Bay Area, continues this year.



- Homes in El Dorado County are more affordable than homes across California, especially Coastal California.
- In El Dorado County, the typical household spends less than 30 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California the typical household spends 35 to 50 percent of income on housing costs.
- Development of homes and commercial structures had been relatively austere in El Dorado County since the Great Recession but development pressures have been building since 2015.
- Now three large unincorporated area plan projects are currently in planning that will ultimately deliver thousands of new homes in the county.

### Creekside Village Specific Plan

- The project site is located south of Highway 50 in the El Dorado Hills area.
- The project applicant proposes to develop a new 926-unit residential community of single-family medium-density residential developments.
- The project plan was submitted to El Dorado County planning and as of December 2020, the preparation of an EIR is underway.

### Central El Dorado Hills Specific Plan

- The proposed project consists of 1,028 residential units, 50,000 square feet of commercial space, and parks.
- The project EIR is completed, but requires an approval of amendments to the existing El Dorado Hills Specific Plan, which means that a construction timeline is not yet available.

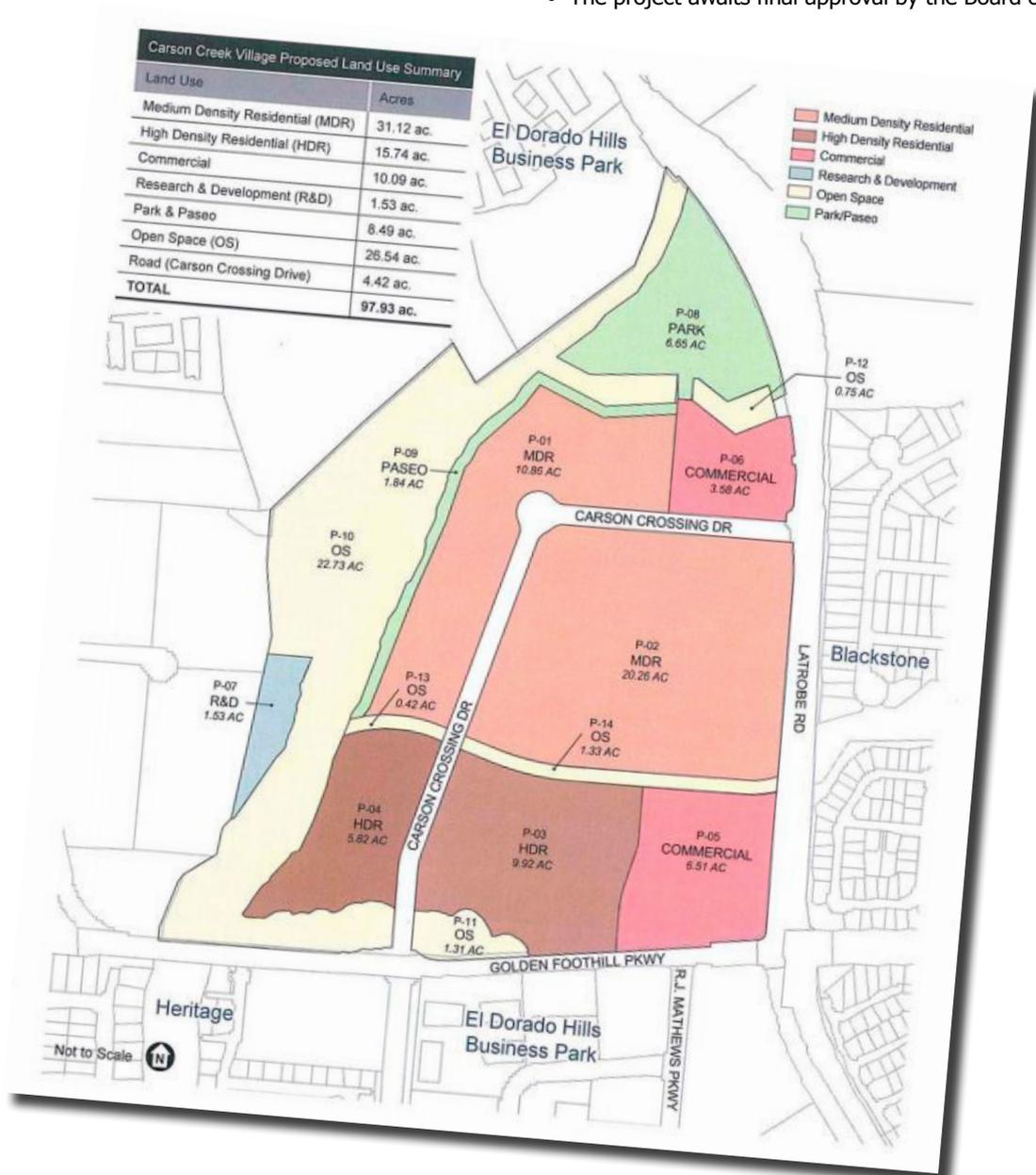
# El Dorado County Economic Forecast

## Carson Creek Village Specific Plan

- The proposed plan is principally a residential community of 600 to 800 dwelling units and approximately 110,000 square feet of new commercial floor area.
- The project is located within the central portion of the existing El Dorado Hills Business Park.
- The project is in the pre-application, conceptual review stage. Public hearings have recently been held in Placerville.

## Montano De El Dorado

- Phase I of the project is built as an existing commercial center consisting of five buildings with a combined total of 39,645 square feet of floor area. Existing uses include retail stores, restaurants, and a bank.
- The Phase II expansion consists of nine additional commercial buildings with a combined total of approximately 80,000 square feet of retail, restaurant, commercial and office uses, a 55,136 square foot, 100-room hotel, a small community pavilion and on-site parking.
- The project awaits final approval by the Board of Supervisors.



Carson Creek Village Specific Plan

# El Dorado County Economic Forecast

## Economic Indicators

## 2015-2020 History, 2021-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	181,009	71.9	368	574	223	\$11.1	\$1.4	\$2.1	\$502	\$70,099	5.7	58.0	1.4
2016	181,855	72.2	845	799	230	\$11.7	\$1.5	\$2.2	\$691	\$72,031	5.1	63.2	2.3
2017	183,838	72.9	1,917	819	229	\$12.2	\$1.6	\$2.3	\$743	\$72,094	4.4	66.0	3.0
2018	186,292	74.5	2,428	593	233	\$12.8	\$1.7	\$2.4	\$579	\$72,092	3.7	60.0	3.7
2019	187,190	74.9	842	665	238	\$13.5	\$1.8	\$2.6	\$703	\$73,311	3.6	62.0	2.9
2020	190,400	75.4	3,360	654	237	\$13.9	\$2.0	\$2.7	\$748	\$73,244	8.3	62.1	1.8
2021	192,230	75.7	1,827	707	239	\$14.6	\$2.0	\$2.7	\$738	\$74,290	5.7	62.2	4.6
2022	194,375	76.1	2,163	752	242	\$15.5	\$2.0	\$2.9	\$744	\$76,007	4.1	62.6	5.0
2023	196,459	76.6	2,123	779	244	\$16.3	\$2.1	\$3.0	\$748	\$77,649	3.5	63.0	4.2
2024	198,528	77.2	2,129	788	246	\$17.2	\$2.2	\$3.0	\$742	\$78,743	3.2	63.4	3.4
2025	200,757	77.7	2,312	795	249	\$17.9	\$2.2	\$3.1	\$739	\$79,504	3.1	63.8	2.7
2026	202,934	78.3	2,281	793	251	\$18.7	\$2.2	\$3.1	\$738	\$80,116	3.0	64.1	2.4
2027	205,073	79.0	2,269	791	254	\$19.4	\$2.2	\$3.1	\$738	\$80,791	3.0	64.5	2.2
2028	207,067	79.6	2,151	738	256	\$20.2	\$2.3	\$3.2	\$740	\$81,386	3.0	64.9	2.3
2029	208,988	80.2	2,103	727	259	\$20.9	\$2.3	\$3.3	\$739	\$81,644	3.0	65.3	2.2
2030	210,810	80.9	2,039	726	262	\$21.7	\$2.4	\$3.4	\$739	\$81,950	3.0	65.7	2.2
2031	212,538	81.5	2,007	726	264	\$22.4	\$2.5	\$3.4	\$740	\$82,287	3.0	66.0	2.3
2032	214,129	82.1	1,932	720	266	\$23.1	\$2.5	\$3.5	\$739	\$82,393	3.0	66.4	2.2
2033	215,630	82.8	1,904	715	268	\$23.9	\$2.6	\$3.6	\$743	\$82,931	3.0	66.8	2.0
2034	217,025	83.4	1,860	710	271	\$24.7	\$2.6	\$3.7	\$747	\$83,372	3.0	67.1	2.1
2035	218,349	84.0	1,850	704	273	\$25.5	\$2.7	\$3.8	\$751	\$83,773	3.0	67.5	2.1
2036	219,589	84.6	1,818	700	275	\$26.3	\$2.8	\$3.9	\$753	\$83,942	3.0	67.9	2.2
2037	220,732	85.2	1,774	688	276	\$27.2	\$2.9	\$4.1	\$754	\$84,082	3.0	68.3	2.2
2038	221,783	85.9	1,738	674	278	\$28.2	\$3.0	\$4.2	\$757	\$84,405	3.0	68.6	2.2
2039	222,788	86.5	1,737	664	280	\$29.1	\$3.1	\$4.3	\$759	\$84,620	3.0	69.0	2.2
2040	223,702	87.0	1,708	653	281	\$30.1	\$3.1	\$4.4	\$762	\$84,858	3.0	69.4	2.1
2041	224,577	87.6	1,721	639	282	\$31.0	\$3.2	\$4.5	\$766	\$85,347	3.0	69.8	2.2
2042	225,339	88.2	1,645	632	284	\$32.0	\$3.3	\$4.6	\$770	\$85,909	3.0	70.1	2.1
2043	226,069	88.8	1,653	623	285	\$33.0	\$3.4	\$4.7	\$775	\$86,517	3.0	70.5	2.0
2044	226,733	89.3	1,627	613	286	\$34.0	\$3.4	\$4.8	\$781	\$87,227	3.0	70.9	2.2
2045	227,222	89.9	1,493	602	287	\$34.9	\$3.5	\$5.0	\$786	\$87,878	3.0	71.3	2.2
2046	227,639	90.4	1,454	594	288	\$35.9	\$3.6	\$5.1	\$789	\$88,439	3.0	71.6	2.2
2047	227,934	91.0	1,358	585	289	\$36.9	\$3.7	\$5.2	\$791	\$88,839	3.0	72.0	2.2
2048	228,108	91.5	1,264	578	289	\$38.0	\$3.8	\$5.3	\$793	\$89,203	3.0	72.4	2.3
2049	228,158	92.0	1,164	568	290	\$39.0	\$3.9	\$5.4	\$796	\$89,808	3.0	72.8	2.0
2050	228,149	92.5	1,133	559	290	\$40.0	\$3.9	\$5.6	\$799	\$90,340	3.0	73.1	2.1

## Employment Sectors

## 2015-2020 History, 2021-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	52.5	0.5	3.7	2.6	0.7	6.4	4.2	5.0	0.5	7.5	8.8	10.8
2016	53.9	0.3	4.1	2.6	0.8	6.7	4.1	5.4	0.6	7.5	9.0	10.9
2017	56.7	0.3	4.8	2.6	0.7	6.9	4.3	6.1	0.6	8.0	9.7	10.8
2018	58.7	0.3	6.0	2.5	0.7	7.1	4.2	6.2	0.6	8.5	9.5	10.9
2019	59.0	0.3	6.2	2.6	0.8	7.0	3.5	6.5	0.6	8.9	9.6	10.9
2020	55.2	0.3	6.3	2.5	0.8	6.6	3.5	6.2	0.5	8.7	7.3	10.7
2021	58.3	0.2	6.4	2.6	0.8	6.9	3.7	6.6	0.6	9.2	8.2	10.9
2022	60.7	0.2	6.6	2.6	0.8	7.1	3.8	7.2	0.6	9.6	8.8	11.1
2023	62.6	0.2	6.8	2.6	0.8	7.2	4.0	7.6	0.6	9.7	9.3	11.3
2024	64.0	0.2	6.8	2.6	0.8	7.2	4.1	8.0	0.6	9.9	9.9	11.3
2025	65.3	0.2	6.6	2.6	0.8	7.1	4.2	8.4	0.6	10.1	10.5	11.5
2026	66.6	0.2	6.6	2.6	0.8	7.1	4.3	8.8	0.6	10.2	11.0	11.6
2027	67.9	0.2	6.6	2.6	0.8	7.0	4.4	9.2	0.6	10.4	11.5	11.8
2028	69.0	0.2	6.5	2.6	0.8	7.0	4.5	9.5	0.6	10.5	11.9	11.9
2029	70.2	0.2	6.4	2.6	0.8	7.0	4.6	9.9	0.6	10.7	12.3	12.0
2030	71.4	0.2	6.4	2.6	0.8	7.1	4.7	10.2	0.7	10.8	12.7	12.1
2031	72.4	0.2	6.4	2.6	0.9	7.1	4.8	10.6	0.7	10.9	13.0	12.2
2032	73.2	0.2	6.4	2.6	0.9	7.1	4.9	10.9	0.7	11.0	13.2	12.3
2033	74.0	0.2	6.3	2.6	0.9	7.1	4.9	11.2	0.7	11.1	13.4	12.4
2034	74.8	0.2	6.3	2.6	0.9	7.1	5.0	11.5	0.7	11.2	13.6	12.4
2035	75.4	0.2	6.2	2.6	0.9	7.1	5.1	11.8	0.7	11.3	13.7	12.5
2036	76.0	0.2	6.2	2.6	0.9	7.1	5.1	12.1	0.7	11.4	13.8	12.5
2037	76.6	0.2	6.1	2.6	0.9	7.2	5.2	12.3	0.7	11.4	13.9	12.6
2038	77.2	0.2	6.0	2.6	0.9	7.2	5.3	12.6	0.7	11.5	14.0	12.6
2039	77.8	0.2	6.0	2.6	0.9	7.2	5.3	12.9	0.7	11.6	14.1	12.7
2040	78.3	0.2	5.9	2.6	0.9	7.2	5.4	13.1	0.7	11.6	14.2	12.7
2041	78.8	0.2	5.9	2.6	0.9	7.2	5.4	13.4	0.7	11.7	14.3	12.7
2042	79.3	0.2	5.9	2.6	0.9	7.2	5.5	13.6	0.7	11.7	14.4	12.8
2043	79.8	0.2	5.8	2.6	0.9	7.2	5.5	13.8	0.7	11.8	14.5	12.8
2044	80.3	0.2	5.8	2.6	0.9	7.2	5.6	14.1	0.7	11.8	14.6	12.8
2045	80.8	0.3	5.8	2.6	0.9	7.3	5.6	14.3	0.7	11.9	14.7	12.8
2046	81.2	0.3	5.8	2.6	0.9	7.3	5.7	14.5	0.7	11.9	14.8	12.8
2047	81.7	0.3	5.7	2.7	0.9	7.3	5.7	14.7	0.7	12.0	14.9	12.9
2048	82.1	0.3	5.7	2.7	0.9	7.3	5.7	14.9	0.7	12.0	14.9	12.9
2049	82.5	0.3	5.7	2.7	0.9	7.3	5.8	15.1	0.7	12.1	15.0	12.9
2050	82.8	0.3	5.6	2.7	0.9	7.3	5.8	15.3	0.7	12.1	15.1	12.9

# El Dorado County Economic Forecast

## Socioeconomic Indicators

